

RNR123
URGENT No Objection To Declassification in Full 2011/05/02 : LOC-HAK-187-5-31-5
KUWAIT, NOV , MONDAY, REUTER -- THE ARAB OIL MINISTERS
DECIDED TO CONSOLIDATE THEIR "OIL WEAPON" SANCTIONS INTO A
TOTAL CUT IN PRODUCTION OF 25 PER CENT, WITH ANOTHER FIVE PER
CENT DROP IN DECEMBER.

THEY SAID THIS WOULD APPLY WHEREVER IT WAS POSSIBLE WITHOUT
CUTTING THE NORMAL RATE OF EXPORTS TO "FRIENDLY" COUNTRIES.

THE CUT WILL INCLUDE EXISTING EMBARGOES ON EXPORTS TO THE
TWO COUNTRIES SO FAR DECLARED FRIENDLY TO ISRAEL -- THE UNITED
STATES AND HOLLAND -- AND THE NORMAL FLOW OF OIL TO COUNTRIES
REGARDED AS FRIENDLY TO THE ARABS WILL BE THE RATE OF FLOW DURING
THE FIRST NINE MONTHS OF THIS YEAR.

THE ANNOUNCEMENT CAME AFTER THE SECOND KUWAIT MEETING
OF ARAB OIL MINISTERS IN THREE WEEKS.

THE MEETING HERE WAS CALLED BY KUWAIT...3RD GRAPH.
(SUBSTITUTION MAKES CLEAR THE "NORMAL FLOW OF OIL"
REFERS TO COUNTRIES REGARDED AS FRIENDLY BY THE ARAB STATES).

IT WAS NOT IMMEDIATELY CLEAR HOW THE ARAB OIL STATES WOULD
BE ABLE TO ACHIEVE THE 25 PERCENT REDUCTION WHILE MAINTAINING
TO COUNTRIES THEY REGARD AS FRIENDLY A FLOW OF OIL BASED ON
IMPORTS IN THE FIRST NINE MONTHS OF THIS YEAR.

IT WAS THOUGHT THAT THERE WOULD BE SOME SORT OF ADJUSTMENT
TO MAKE THIS POSSIBLE BUT THIS WAS NOT SPELLED OUT FOLLOWING
THE MEETING.

THE STATEMENT SAID : (FULL TEXT OF UNOFFICIAL TRANSLATION
FROM THE ARABIC)..:

"THE ARAB OIL MINISTERS MET FOR THE SECOND TIME IN KUWAIT
CITY ON NOVEMBER 4/5 1973 AND REVIEWED THE WAY IN WHICH THEIR
PREVIOUS DECISIONS HAD BEEN ACCOMPLISHED AND THE RESULTS.

"THEY ALSO TOOK CERTAIN DECISIONS:

-- THAT THE TOTAL REDUCTION OF PRODUCTION OF EACH ARAB
COUNTRY THAT WILL PUT THIS DECISION INTO EFFECT WILL BE 25 PER
CENT OF SEPTEMBER PRODUCTION INCLUSIVE OF THE QUANTITIES FOR
THE UNITED STATES AND HOLLAND.

-- THAT THIS REDUCTION WILL CONTINUE IN DECEMBER AT THE RATE
OF FIVE PERCENT FROM NOVEMBER PRODUCTION, PROVIDED THAT THIS
REDUCTION WILL NOT AFFECT THE SHARE OF THE FRIENDLY COUNTRIES
WHICH IMPORT OIL FROM EACH PRODUCING COUNTRY, SO THAT AT THE
SHARES OF THE FRIENDLY COUNTRIES ARE BASED ON THEIR IMPORTS
IN THE FIRST NINE MONTHS OF THIS YEAR.

"IT WAS ALSO DECIDED THAT TWO OF THE MINISTERS, OF ALGERIA
AND SAUDI ARABIA, SHOULD TRAVEL TO THE CAPITALS OF WESTERN
EUROPE TO EXPLAIN THE ARAB VIEWPOINTS RELATED TO THE DECISIONS
IN THE LATEST TWO MEETINGS.

"IT WAS ALSO DECIDED TO HOLD FUTURE MEETINGS WHENEVER NECESSARY
TO FOLLOW THE IMPLEMENTATION OF THESE DECISIONS AND THEIR RESULTS."
(END TEXT).

THE ARAB PRODUCER STATES MADE NO FURTHER ADDITIONS TO THEIR
LIST OF DECLARED "PRO-ISRAEL STATES".

NOR DID THEY DECIDE -- AS IT WAS EARLIER THOUGHT THEY
THEY MIGHT -- TO MAKE A DECLARATION THAT ANY STATE RE-EXPORTING
TO ONE OF THE "UNFRIENDLY" COUNTRIES WOULD BE SUBJECTED TO AN
EMBARGO.

IT WAS PRESUMED THAT THE MINISTERS DEFINITION OF A
FRIENDLY STATE NEVERTHELESS REMAINED AS IT WAS IN THE OCTOBER
17 DECLARATION, WHICH MADE CLEAR IT WAS NECESSARY TO GIVE ACTIVE
SUPPORT TO THE ARAB CAUSE AND NOT SIMPLY TO REMAIN NEUTRAL OVER
MIDDLE EAST AFFAIRS.

(NO PICKUP)

REUTER RWG/MJ 1922